

AMENDMENTS TO LB 165

Introduced by Revenue.

1 1. Strike original section 9 and insert the following new
2 sections:

3 Sec. 12. Section 77-2715.07, Revised Statutes Cumulative
4 Supplement, 2008, is amended to read:

5 77-2715.07 (1) There shall be allowed to qualified
6 resident individuals as a nonrefundable credit against the income
7 tax imposed by the Nebraska Revenue Act of 1967:

8 (a) A credit equal to the federal credit allowed under
9 section 22 of the Internal Revenue Code; and

10 (b) A credit for taxes paid to another state as provided
11 in section 77-2730.

12 (2) There shall be allowed to qualified resident
13 individuals against the income tax imposed by the Nebraska Revenue
14 Act of 1967:

15 (a) For returns filed reporting federal adjusted
16 gross incomes of greater than twenty-nine thousand dollars, a
17 nonrefundable credit equal to twenty-five percent of the federal
18 credit allowed under section 21 of the Internal Revenue Code of
19 1986, as amended;

20 (b) For returns filed reporting federal adjusted gross
21 income of twenty-nine thousand dollars or less, a refundable credit
22 equal to a percentage of the federal credit allowable under section
23 21 of the Internal Revenue Code of 1986, as amended, whether or

1 not the federal credit was limited by the federal tax liability.
2 The percentage of the federal credit shall be one hundred percent
3 for incomes not greater than twenty-two thousand dollars, and
4 the percentage shall be reduced by ten percent for each one
5 thousand dollars, or fraction thereof, by which the reported
6 federal adjusted gross income exceeds twenty-two thousand dollars;

7 (c) A refundable credit for individuals who qualify for
8 an income tax credit as an owner of agricultural assets under the
9 Beginning Farmer Tax Credit Act for all taxable years beginning or
10 deemed to begin on or after January 1, 2001, under the Internal
11 Revenue Code of 1986, as amended; and a refundable credit as
12 provided in section 77-5209.01 for individuals who qualify for an
13 income tax credit as a qualified beginning farmer or livestock
14 producer under the Beginning Farmer Tax Credit Act for all taxable
15 years beginning or deemed to begin on or after January 1, 2006,
16 under the Internal Revenue Code of 1986, as amended;

17 (d) A refundable credit for individuals who qualify for
18 an income tax credit under the Nebraska Advantage Microenterprise
19 Tax Credit Act or the Nebraska Advantage Research and Development
20 Act; and

21 (e) A refundable credit equal to ten percent of the
22 federal credit allowed under section 32 of the Internal Revenue
23 Code of 1986, as amended.

24 (3) There shall be allowed to all individuals as a
25 nonrefundable credit against the income tax imposed by the Nebraska
26 Revenue Act of 1967:

27 (a) A credit for personal exemptions allowed under

1 section 77-2716.01;

2 (b) A credit for contributions to certified community
3 betterment programs as provided in the Community Development
4 Assistance Act. Each partner, each shareholder of an electing
5 subchapter S corporation, each beneficiary of an estate or trust,
6 or each member of a limited liability company shall report his or
7 her share of the credit in the same manner and proportion as he
8 or she reports the partnership, subchapter S corporation, estate,
9 trust, or limited liability company income; and

10 (c) A credit for investment in a biodiesel facility as
11 provided in section 77-27,236.

12 (4) There shall be allowed as a credit against the income
13 tax imposed by the Nebraska Revenue Act of 1967:

14 (a) A credit to all resident estates and trusts for taxes
15 paid to another state as provided in section 77-2730; ~~and~~

16 (b) A credit to all estates and trusts for contributions
17 to certified community betterment programs as provided in the
18 Community Development Assistance Act; ~~and-~~

19 (c) A refundable credit for individuals who qualify for
20 an income tax credit as an owner of agricultural assets under the
21 Beginning Farmer Tax Credit Act for all taxable years beginning
22 or deemed to begin on or after January 1, 2009, under the
23 Internal Revenue Code of 1986, as amended. The credit allowed
24 for each partner, shareholder, member, or beneficiary of a
25 partnership, corporation, limited liability company, or estate
26 or trust qualifying for an income tax credit as an owner of
27 agricultural assets under the Beginning Farmer Tax Credit Act

1 shall be equal to the partner's, shareholder's, member's, or
2 beneficiary's portion of the amount of tax credit distributed
3 pursuant to subsection (4) of section 77-5211.

4 (5) (a) For all taxable years beginning on or after
5 January 1, 2007, and before January 1, 2009, under the Internal
6 Revenue Code of 1986, as amended, there shall be allowed to each
7 partner, shareholder, member, or beneficiary of a partnership,
8 subchapter S corporation, limited liability company, or estate or
9 trust a nonrefundable credit against the income tax imposed by
10 the Nebraska Revenue Act of 1967 equal to fifty percent of the
11 partner's, shareholder's, member's, or beneficiary's portion of the
12 amount of franchise tax paid to the state under sections 77-3801 to
13 77-3807 by a financial institution.

14 (b) For all taxable years beginning on or after January
15 1, 2009, under the Internal Revenue Code of 1986, as amended,
16 there shall be allowed to each partner, shareholder, member, or
17 beneficiary of a partnership, subchapter S corporation, limited
18 liability company, or estate or trust a nonrefundable credit
19 against the income tax imposed by the Nebraska Revenue Act of 1967
20 equal to the partner's, shareholder's, member's, or beneficiary's
21 portion of the amount of franchise tax paid to the state under
22 sections 77-3801 to 77-3807 by a financial institution.

23 (c) Each partner, shareholder, member, or beneficiary
24 shall report his or her share of the credit in the same manner
25 and proportion as he or she reports the partnership, subchapter S
26 corporation, limited liability company, or estate or trust income.
27 If any partner, shareholder, member, or beneficiary cannot fully

1 utilize the credit for that year, the credit may not be carried
2 forward or back.

3 Sec. 13. Section 77-2761, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 77-2761 An income tax return with respect to the income
6 tax imposed by the provisions of the Nebraska Revenue Act of 1967
7 shall be made by the following:

8 (1) Every resident individual who is required to file a
9 federal income tax return for the taxable year;

10 (2) Every nonresident individual who has income from
11 sources in this state;

12 (3) Every resident estate or trust which is required to
13 file a federal income tax return except a simple trust not required
14 to file under subsection (2) of section 77-2717;

15 (4) Every nonresident estate or trust which has taxable
16 income from sources within this state;

17 (5) Every corporation or any other entity taxed as a
18 corporation under the Internal Revenue Code which is required
19 to file a federal income tax return except the small business
20 corporations not required to file under subsection ~~(6)~~ (7) of
21 section 77-2734.01;

22 (6) Every limited liability company having one or more
23 nonresident members or with taxable income derived from sources
24 outside the state except the limited liability companies not
25 required to file under subsection ~~(6)~~ (7) of section 77-2734.01;
26 and

27 (7) Every partnership having one or more nonresident

1 partners or with taxable income derived from sources outside the
2 state.

3 Sec. 15. Section 77-5211, Revised Statutes Cumulative
4 Supplement, 2008, is amended to read:

5 77-5211 (1) Except as otherwise disallowed under
6 subsection (5) of this section, an owner of agricultural assets
7 shall be allowed a credit to be applied against the state income
8 tax liability of such owner for agricultural assets rented on a
9 rental agreement basis, including cash rent of agricultural assets
10 or cash equivalent of a share-rent rental, to qualified beginning
11 farmers or livestock producers. Such asset shall be rented at
12 prevailing community rates as determined by the board.

13 (2) The credit allowed shall be for renting agricultural
14 assets used for farming or livestock production. Such credit
15 shall be granted by the Department of Revenue only after approval
16 and certification by the board and a written three-year rental
17 agreement for such assets is entered into between an owner of
18 agricultural assets and a qualified beginning farmer or livestock
19 producer. An owner of agricultural assets or qualified beginning
20 farmer or livestock producer may terminate such agreement for
21 reasonable cause upon approval by the board. If an agreement is
22 terminated without fault on the part of the owner of agricultural
23 assets as determined by the board, the tax credit shall not be
24 retroactively disallowed. If an agreement is terminated with fault
25 on the part of the owner of agricultural assets as determined by
26 the board, any prior tax credits claimed by such owner shall be
27 disallowed and recaptured and shall be immediately due and payable

1 to the State of Nebraska.

2 (3) A credit may be granted to an owner of agricultural
3 assets for renting agricultural assets, including cash rent of
4 agricultural assets or cash equivalent of a share-rent agreement,
5 to any qualified beginning farmer or livestock producer for a
6 period of three years. An owner of agricultural assets shall not be
7 eligible for further credits under the Beginning Farmer Tax Credit
8 Act unless the rental agreement is terminated prior to the end of
9 the three-year period through no fault of the owner of agricultural
10 assets. If the board finds that such a termination was not the
11 fault of the owner of agricultural assets, it may approve the owner
12 for credits arising from a subsequent qualifying rental agreement
13 with a different qualified beginning farmer or livestock producer.

14 (4) Any credit allowable to a partnership, a corporation,
15 a ~~syndicate~~, limited liability company, or an estate or trust
16 may be distributed to the partners, members, shareholders, or
17 beneficiaries. Any credit distributed shall be distributed in the
18 same manner as income is distributed.

19 (5) The credit allowed under this section shall not be
20 allowed to an owner of agricultural assets for a rental agreement
21 with a beginning farmer or livestock producer who is a relative,
22 as defined in section 36-702, of the owner of agricultural assets
23 or of a partner, member, shareholder, or trustee of the owner
24 of agricultural assets unless the rental agreement is included in
25 a written succession plan. Such succession plan shall be in the
26 form of a written contract or other instrument legally binding the
27 parties to a process and timetable for the transfer of agricultural

1 assets from the owner of agricultural assets to the beginning
2 farmer or livestock producer. The succession plan shall provide
3 for the transfer of assets to be completed within a period of
4 no longer than thirty years, except that when the asset to be
5 transferred is land owned by an individual, the period of transfer
6 may be for a period up to the date of death of the owner. The
7 owner of agricultural assets shall be allowed the credit provided
8 for qualified rental agreements under this section if the board
9 certifies the plan as providing a reasonable manner and probability
10 of successful transfer.

11 Sec. 19. Original section 77-2761, Reissue Revised
12 Statutes of Nebraska, and sections 77-2715.07 and 77-5211, Revised
13 Statutes Cumulative Supplement, 2008, are repealed.

14 2. On page 10, lines 15 through 17, strike the new matter
15 and insert "ancillary services, except for conference bridging
16 services, and intrastate telecommunications services, except for
17 value-added, nonvoice data service;".

18 3. On page 14, strike beginning with "If" in line 13
19 through line 23 and show the old matter as stricken.

20 4. On page 20, line 20, strike the new matter; and in
21 line 22 strike "is", show as stricken, and insert "and ancillary
22 services are".

23 5. On page 24, line 11, after "service" insert "or a
24 sale of a prepaid wireless calling service"; in lines 13 and 14
25 strike beginning with "mobile" through "telecommunications", show
26 as stricken, and insert "a prepaid wireless calling".

27 6. On page 58, line 8, strike "77-2704.12,".

1 7. Correct the operative date section so that the
2 sections added by this amendment become operative on their
3 effective date with the emergency clause.

4 8. Renumber the remaining sections and correct internal
5 references accordingly.